



Senate

General Assembly

January Session, 2011

File No. 425

Senate Bill No. 1080

Senate, April 6, 2011

The Committee on Energy and Technology reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING THE REGULATION OF PROPANE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2011*) The Department of Public
2 Utility Control shall establish procedures to regulate the state's
3 propane industry. On or before February 1, 2012, the department shall
4 report, in accordance with the provisions of section 11-4a of the general
5 statutes, to the joint standing committee of the General Assembly
6 having cognizance of matters relating to public utilities regarding such
7 procedures and any needed legislative changes to facilitate such
8 regulation. Such regulation shall be effective on and after July 1, 2012.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2011</i>	New section
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ET Joint Favorable

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 12 \$	FY 13 \$
Public Utility Control, Dept.	CC&PUCF - Cost	500,000	\$1 million to \$2 million

Note: CC&PUCF=Consumer Counsel and Public Utility Control Fund

Municipal Impact: None

Explanation

The bill requires the Department of Public Utility Control (DPUC) to establish procedures to regulate the state's propane industry, effective July 1, 2012. It is anticipated that there would be costs of approximately \$500,000 in FY 12 to hire three full-time employees (salary and fringe benefits) and consultants to establish the necessary procedures.

Depending on the scope of the regulations set, DPUC would require 10 to 30 additional positions, with estimated costs of \$978,000 to \$1,956,000 for salary and fringe benefits, beginning in FY 13.

Under current law, DPUC is funded by an assessment on the regulated companies. The bill does not provide a funding mechanism for DPUC to regulate this new area.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 1080*****AN ACT CONCERNING THE REGULATION OF PROPANE.*****SUMMARY:**

This bill requires the Department of Public Utility Control to establish procedures to regulate the state's propane industry that become effective on July 1, 2012. By February 1, 2012, it must report to the Energy and Technology Committee on the procedures and any legislation needed to facilitate such regulation.

EFFECTIVE DATE: July 1, 2011

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 17 Nay 5 (03/22/2011)